

Surprise Focused Future II Economic Development Strategic Plan

***Prepared for the City of Surprise
Prepared by the Surprise Focused Future II Action Team and SEDAB
With Technical Support from***

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Surprise Focused Future II

Economic Development Strategic Plan

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I. Introduction

In 1997 Surprise adopted the Focused Future Strategic Plan for Economic Development. The document was the first such document related to economic development for the City of Surprise, Arizona. It represented a cooperative effort between the City of Surprise, the Chamber of Commerce, and other key community stakeholders.

As a result of the tremendous growth occurring in the Surprise area, the community was selected to participate in a new program called “Focused Future II.” Cottonwood, Goodyear, Douglas, Prescott Valley, Casa Grande, and Surprise were selected to participate in the model program by APS (Arizona’s largest electric utility). Elements of Focused Future II include an examination of successes and challenges, issue and trend analysis, and exploration of best practices. Included in the process is the design of a new model of non-traditional economic and quality-of-life measures to monitor successes as defined by the community.

At the heart of the process was an active, broad-based citizen and stakeholder committee called the Action Team. The Action Team’s purpose was to work closely with APS and their consultants in completing the draft plan. The Action Team met eight times. On August 28, 2002, four focus groups were conducted with many local residents and stakeholders participating. The groups focused on Education, Transportation, Young Families, and Local Business. Reports were developed and the Action Team discussed the results. Additionally, a half-day Mini-Summit was held on October 2, 2002, where outside experts made presentations on various aspects of economic development. An Economic Development Town Hall was conducted February 21, 2003, where residents and stakeholders discussed and debated the goals/strategies for the Strategic Plan. Additionally, the participants identified potential community indicators that would be used to measure the success of the economic development effort. Unique to Focused Future II (compared to Focused Future) is the inclusion of the citizenry in the development of strategies and community indicators through the Economic Development Town Hall.

In February 2002 the City created the Surprise Economic Development Advisory Board (SEDAB). The purpose of SEDAB is to provide meaningful input into the economic development process. SEDAB’s mission is to play a key role in assisting the Economic Development Department in fulfilling its mission, “To ensure a continued increase in the City’s quality of life by facilitating sustainable development through creating a business friendly environment and attracting quality employers and retailers.” The Focused Future Action Team completed the draft plan and presented it to the SEDAB for fine-tuning to ensure that it is aligned with the City of Surprise’s economic development goals and implementation. SEDAB, in partnership with other entities such as the Northwest Valley Chamber of Commerce, will also play the lead role in implementing the Focused Future Strategic Plan for Economic Development.

II. Surprise Overview

Today the City of Surprise, Arizona is located in the northwest section of Maricopa County, with a population of approximately 60,000 people. Within 3 to 5 years, according to the Maricopa Association of Governments (MAG) projections, Surprise will reach 130,000 people. It is estimated to reach 300,000 in 2020 and 644,000 in 2040. According to the 2000 U.S. Census, Surprise has the fastest-growing population under 54 years old in the State of Arizona. Two new elementary schools per year will be built to accommodate this growth.

In 1980 the City of Surprise consisted of one square mile. In 2003, the City covers more than 70 square miles. In 1980 all houses were on septic systems. In 2003, the central sewer service is available to most residential areas. In 1980, the City of Surprise Police Department consisted of 5 employees, and in 2003, the City has 69 sworn officers, 9 support staff, and 12 communications staff. In 1980, the City of Surprise Fire Department was strictly volunteer and the fire station was a garage. In 2003, the City has 48 full-time firefighters and 2 permanent fire stations, one under construction, and a temporary one. In 1980, the City of Surprise had no community service and recreation staff and in 2003 the City has 80 full-time equivalent staff. In 1980 the City of Surprise had 6 public works and sanitation personnel who picked up trash, repaired streets, and maintained the parks. In 2003, the City has a public works staff of 25.

Surprise is located next to the Sun Cities which have one of the highest household incomes of zip codes in the state. Residents of the Sun Cities contribute tremendously to the local marketplace. The City of Surprise per capita income for individuals and households is nearing the averages in Maricopa County.

Historically, agriculture has played a major role within the City of Surprise's planning area. However, most of the agricultural land is owned by a few landowners. But as the development moves westward through Maricopa County, agricultural lands have become too valuable for farming. As a result, farmers are selling their property to make way for development.

Luke Air Force Base is and has been a tremendous economic driver for the region as well as the State of Arizona since the early 1940s. Luke's annual economic impact to the Arizona economy is \$1.4 billion. Luke employs about 8,000 military and civilian workers. The City of Surprise prides itself in being a good neighbor to Luke and supports its continued existence. The City, Maricopa County, and the State of Arizona are struggling to determine how to protect Luke's mission by minimizing inappropriate development encroachment.

Another important contributor to the local and regional economy is Sun Health, which today employs approximately 4,000. Since 1998, the total number of Sun Health employees has increased 29 percent. Close to 600 of these employees call Surprise home. Sun Health is a non-profit community-based healthcare network providing acute, long-term, and home-based services to residents of western Maricopa County. Patients receive comprehensive, integrated health services through the 351-bed Boswell Memorial Hospital that has served the area since 1970, and the 208-bed Del E. Webb Memorial Hospital that opened in 1988. Both hospitals provide acute-care services, have full-service emergency departments, and offer inpatient/outpatient

medical/surgical care. Del E. Webb Hospital also offers obstetrical services through *The Nesting Place* in the Louisa Kellam Center for Woman's Health. Both hospitals are fully accredited by the Joint Commission for the Accreditation of Healthcare Organizations. Sun Health has an annual payroll of \$118.2 million, a 60 percent increase since 1998. Annual payroll returned to the residents of Surprise is \$11.9 million, a 222 percent increase since 1998.

The City of Surprise is working diligently to build the “economic engine” in the area by developing the Surprise Center, which is intended to meet the Northwest Valley's local and regional needs. Approximately 33 million square feet of commercial retail space has been developed or is currently underway. The spring training facility and new recreation complex will attract tourism dollars to the area while providing a unique recreational amenity for the residents. Six weeks out of the year Surprise will receive national promotion because of spring training, and the rest of the year the facility can be used as a community park.

There are challenges facing the City of Surprise, including addressing mobility within the area. The East/West grid street system is one of these challenges. The 303/U.S. 60(Grand Avenue) corridors are important to address over the short term. Farther out, the 303 to 99th Avenue and the Lake Pleasant alignment as well as Lone Mountain Corridor to I-17 will also provide important connections. Even farther out on the horizon will be planning for the 505 to tie into the Douglas Ranch Corridor.

As one of the Action Team members exclaimed, “It is an exciting time to live and work in the City of Surprise.”

III. Strategic Plan Framework

A. Introduction

The City of Surprise is at a pivotal moment in its history. The community is faced with keeping pace with the rapid growth and taking advantage of the opportunities this growth can provide in terms of building a leading-edge community of the future. Answers to the questions that today's leaders are struggling with are the results that future generations will be living. When today's youth inherit the City of Surprise, will the educational system be recognized as exemplary? Will high-quality jobs await them? Will the community still be a safe place to raise their families? The changing Arizona and Maricopa County economic foundation is shifting as fast as the City of Surprise's ever-changing local economy from agriculture to service, recreation, healthcare, and biotechnology. The local economy of tomorrow will be shaped by decisions being made today.

The City of Surprise must position itself effectively to take advantage of these shifts in economic trends occurring within the region and the State of Arizona (e.g., biotechnology). Surprise Focused Future II Action Team and SEDAB have discussed recently completed economic development studies (e.g., Statewide Economic Study and Five Shoes Waiting to Drop on Arizona's Future) to determine the impact of these trends on the local community. Many of the factors identified in these studies are issues being addressed statewide and regionally. The City of Surprise, through the efforts of SEDAB and other stakeholders, is addressing education, workforce development, and infrastructure issues to ensure that the community remains competitive.

Due to the population and commercial growth being experienced by the City of Surprise, it has the unique opportunity to create the future in this new economic environment. The community is not tied too heavily to industries that comprise the "old" economy. The City of Surprise has devoted its attention to building a quality community and creating an environment that is business-friendly. However, land use, transportation, and educational decisions made today will provide the framework that will form the basis of tomorrow's economic environment. The Surprise Focused Future II Strategic Plan for Community and Economic Development attempts to make decisions today that affect the future in a way that creates a desirable, sustainable community. However, as time goes by, existing and emerging trends should be examined to assist in realigning the strategies to ensure the plan remains strategic and focused.

B. Defining Economic Development

The purpose of the economic development effort in Surprise is as follows.

- ✓ To build infrastructure to support new business growth.
- ✓ To develop a strategy to diversify the local economy and assist existing businesses to grow and thrive.
- ✓ To create a more entrepreneurially supportive environment.

- ✓ To assist the City of Surprise to evolve its “Quality of Life” through expanding the local economy.
- ✓ To identify and target quality businesses based on a realistic evaluation of what Surprise can support.

The definition of economic development outlined in the Focused Future Strategic Plan for Economic Development that will guide Surprise’s efforts follows.

Economic development is a process for creating employment opportunities for individuals, growth opportunities for enterprises, and raising people’s standard of living.

C. Surprise Vision

The Surprise Vision Statement that was defined during the General Plan process is a broad statement of how the community views itself as it moves into the future. The Focused Future Strategic Plan for Economic Development used the vision statement as a guide in developing its action plan, which addresses the economic vitality portion of the statement. All entities working together are striving to achieve this vision for Surprise.

Surprise is a diverse community that values its heritage and naturally sensitive areas within the planning area. This commitment is evidenced by the community’s dedication to community sustainability and maintaining the historic City center’s unique sense of place within the growing and expanding City. It is a community that provides opportunities for interaction and involvement by all citizens in creating and recreating the City. The suburban ambiance has been maintained resulting in strong neighborhoods that are woven together by trails, greenbelts, and public areas. The community offers a balance of residential, employment, and commercial land uses that are compatibly located and produce a sustainable urban form efficiently supported by infrastructure. It provides a wide array of opportunities for people to live, work, and play in Surprise. It is no surprise that people choose to call Surprise home.

D. Surprise Competitive Advantage

Framing the community’s competitiveness is critical in creating a realistic strategic plan. The City of Surprise is closely tied to the competitive advantages of the West Valley and Greater Phoenix Metropolitan Area, and to a lesser degree the State of Arizona. Following is a discussion of the City’s competitive advantages.

Cost of Living and Cost of Doing Business. Arizona’s quality of life continues to draw residents daily and business investment regularly. Businesses relocating to an area are not only concerned about the “cost to do business” but also the quality of life that their family and the families of their employees will experience. Quality of life is also directly related to a business’ ability to attract and retain quality employees. The cost of living in Surprise, the West Valley, and the State of Arizona overall is very competitive, particularly in comparison to California. Additionally, the cost of doing business is very competitive and again well below neighboring states like California. Studies conducted recently about the adequacy of the Surprise workforce indicate that it is very capable of meeting the workforce needs of companies within acceptable

drawing radius. The business operating environment is very favorable within the City of Surprise and the region as a whole. Arizona workers' compensation and labor legislation is favorable. In comparison to many other states, Arizona offers the option to business to operate within a right-to-work environment.

Foundations to Support Community and Economic Development. The City of Surprise is planning and developing the necessary infrastructure to support the community's quality of life and business needs. Transportation challenges have been identified and the community is actively planning collaboratively with appropriate state and regional agencies (Arizona Department of Transportation, Maricopa Association of Governments, and Maricopa County) to address the multimodal transportation needs of the future. Achieving solutions to these transportation challenges requires a dedicated, strategic approach by the City of Surprise to ensure new regional transportation projects are included in the State and Regional Transportation Plans. Additionally, the City of Surprise must stay focused on implementing new improvements to the local roadway network. Traditional infrastructure (e.g., roads, sewers, and water) is new and expanding within the area, but telecommunication infrastructure is also critical to meet the demands of residents and businesses. The State of Arizona and Maricopa County region have been diligently addressing the digital infrastructure needs. The City of Surprise must continue be an active player in creating the telecommunications infrastructure that will support the expected changes in the economy and community in the future.

Quality-of-Life Indicators. The City of Surprise has been dedicated to addressing quality-of-life issues (e.g., healthcare, recreation, housing affordability and diversity, safety, and public services) over the past five years. The City of Surprise has a "business-friendly" attitude while ensuring that regulations are in place to protect the community's livability. The Surprise Center development is an example of the dedication that local leaders have on enhancing the community's quality of life. The Surprise Center is much more than a baseball spring training facility. It is a new downtown for Surprise and a regional center for Northwestern Maricopa County. It includes retail, offices, a community park, and so much more. The community has also been successful in attracting a wide range of new retail business development and additional community recreational facilities (e.g., aquatic center, parks, and library). The commitment of Sun Health and the expansion of healthcare provided within the area have also contributed to the community's quality of life. Surprise also provides a full range of prices and styles of housing within the community. All of this has been accomplished in recent years while maintaining Surprise as a safe community to live, work, and play.

Quality Education. The Dysart School District has made tremendous strides in recent years related to improving quality education in Surprise. Test scores are up and drop-out rates reduced. The Arizona Department of Education recently issued a report on public schools in the state. The report for the first time gives an achievement profile for public and charter schools statewide. The state is required to monitor the achievement level of all students through the accountability measure called Arizona LEARNS, which stands for Leading Education through the Accountability and Results Notification System. In the Surprise School Districts, the majority of students are performing satisfactorily, and there is a great urgency to raise the achievement level of all students in the district. Efforts are being made for more parental involvement and continued emphasis on teaching the AIMS test standards..

The citizens of Surprise demonstrated their commitment to education by approving school improvement bonds. The Northwest Valley has a higher number of residents with a high school diploma than the national average. More significant is the number of those with at least some post secondary training is well above the national average, according to the U.S. Census. Lastly, the City of Surprise is located within close proximity to ten accredited educational institutions awarding certificate programs, associate's, bachelor's, master's, doctorate, and even medical degrees. The community college district is widely known for its efforts to meet the educational needs of employers and prospective incoming businesses.

There is a strong commitment between the City of Surprise and Dysart School District to work closely together. This commitment is demonstrated by the strategies implemented to maximize resources. The District has initiated aggressive efforts that bring more revenues to benefit schools and the City. An example of this strong coordination is the joint efforts between the School District, City of Surprise, and developers to ensure that adequate space is set aside within residential subdivisions for new school development. The City also encourages developers to support local education through other programs.

IV. Strategic Action Plan

After reviewing Surprise's assets and opportunities as well as its competitive advantages and opportunities, the following three focus areas provide the framework for the Surprise Focused Future II Strategic Plan for Economic Development. The framework is intended to move the community toward the implementation of the Surprise vision.

1. Creating a Desirable Community
2. Developing an Educated and Skilled Labor Force
3. Ensuring Positive Economic Growth

Expanding the Surprise economy and building a quality community is dependent upon "three legs of the stool" that will sustain the well-balanced city of the future. All of these legs are critical to Surprise's community and economic success. Equal effort and diligent investment must continue to be made in all areas if the community is to realize its vision.

Within each of the Focus Areas is a description of Surprise's goals, strategies, and community indicators as defined below. The goals and strategies are designed to be action-oriented. The following definitions should be used in reviewing the focus areas.

Description of the Focus Area defines the intent of the focus area.

Focus Areas are strategic initiatives that the community will address when working toward the implementation of the Surprise vision.

Goals describe a fundamental direction or broad course of action that work to implement the vision.

Strategies are tasks that will be implemented to assist in accomplishing the related goal. These strategies also identify the lead agency or group who will coordinate the efforts.

Timeframe is the target for initiation of the strategies after adoption of the Strategic Plan. It is important to note that some of the strategies may be started in year two, for example, but will not be completed until year five. Therefore, the timeframe indicates year two or the initiation target date.

Ongoing – Strategy that is an ongoing, continuing effort

Immediate – Strategies that should be initiated in the First Year

Intermediate – Strategies that should be initiated after the First Year and by the end of the Third Year

Long Term – Strategies that should be initiated after the Third Year and by the end of the Fifth Year

Community Indicators are quantitative measures of activities that are important to the community. These indicators are used to track the community's well being and progress toward established goals. They reveal whether the key community attributes are going up or down, forward or backward, getting better or worse, or staying the same.

Focus Area #1: Creating a Desirable Community

Description: The City of Surprise's ability to attract new residents to the community is direct evidence of the community's desirability. In addition to ensuring a quality educational system, expanding entertainment, arts/cultural, and recreational opportunities are critical components to further improving the area's quality of life. Adding additional retail and public services to meet the growing and changing demands of the City's residents requires diligent efforts.

Goals:

1. Enhance the community's quality of life by expanding the entertainment, arts/cultural, and recreational opportunities.
2. Manage growth effectively in a manner that the necessary infrastructure (e.g., water, sewer, and air quality), transportation system (e.g., roads, transit, and bike paths), and public services (e.g., police and fire) are able to keep pace.
3. Continue to strengthen the community's image and sense of place with projects like the Surprise Center.
4. Continue to expand opportunities for citizen involvement/empowerment.

Strategies:

Image Development

1. Update the City of Surprise Image Study and create a community "brand" name that captures the City's unique character. (IMMEDIATE)
2. Continue to build upon the Northwest Valley's positive image and develop a consistent marketing strategy. (IMMEDIATE)
3. Develop a Surprise Visitor Center. (IMMEDIATE)
4. Continue to annually survey City of Surprise customers regarding the public services and facilities as well as the City's attitude toward business. (ONGOING)
5. The City of Surprise should develop a city public relations plan. (IMMEDIATE)

Manage Growth

1. Develop an analysis of the costs associated with implementing the general plan. (IMMEDIATE)
2. SEDAB, Planning and Zoning, and the Community and Economic Development Department (CEDD) should play an active role in the annual capital improvement planning process to

ensure that the infrastructure needed to support business and community development is addressed. (INTERMEDIATE)

3. SEDAB and CEDD should continue to participate in regional discussion related to improving the transportation system surrounding and throughout the City of Surprise. (ONGOING)
4. Annually, have the Surprise transportation planner make a presentation to the SEDAB about the status of transportation. (ONGOING)
5. The City shall continue to encourage development in and around the Surprise Center. (ONGOING)

Citizen Involvement

1. The City of Surprise should partner with Estrella Mountain Community College and the Chamber of Commerce to develop and implement a local leadership academy similar to the Southwest Valley Citizen's Academy to ensure that the citizens have a better understanding of local government and to provide expanded opportunities for their involvement. (INTERMEDIATE)

Arts, Culture, and Recreation

1. Explore with regional arts and cultural groups (e.g., Heard Museum) to locate satellite facilities in Surprise. (IMMEDIATE)
2. Relocation and expansion of the West Valley Art Museum to the Surprise Center. (IMMEDIATE)
3. Continue to expand recreational opportunities and facilities that attract people to Surprise as well as meeting the needs of citizens. (ONGOING)

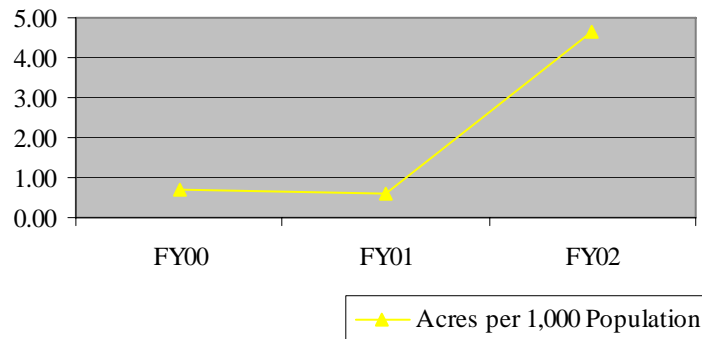
Government Center

1. Develop a centralized governmental center to serve the growing needs of Surprise. (LONG-TERM)

COMMUNITY INDICATORS

FOCUS AREA: CREATING A DESIRABLE COMMUNITY

Chart 1
Acres of Park per 1,000 Persons



Source: City of Surprise Economic Development Department

The City maintained more than 20 acres of parks in FY00 and FY01, which includes parks located adjacent to schools for shared use. A 195-acre recreational campus (which is counted as part of the parks system) opened in FY02 and greatly increased the ratio of acres of parks to population, from less than one to more than four.

Table 1

Acres of City Parks per 1,000 Residents, FY00 to FY02¹

	FY00	FY01	FY02
City Parks	13	13	195
City/School Shared Acreage	10.4	10.4	14.2
Total Acres of City Parks	23.4	23.4	209.2
Ending Population ²	32,515	38,400	45,125
Acres per 1,000 Population	0.7	0.6	4.6

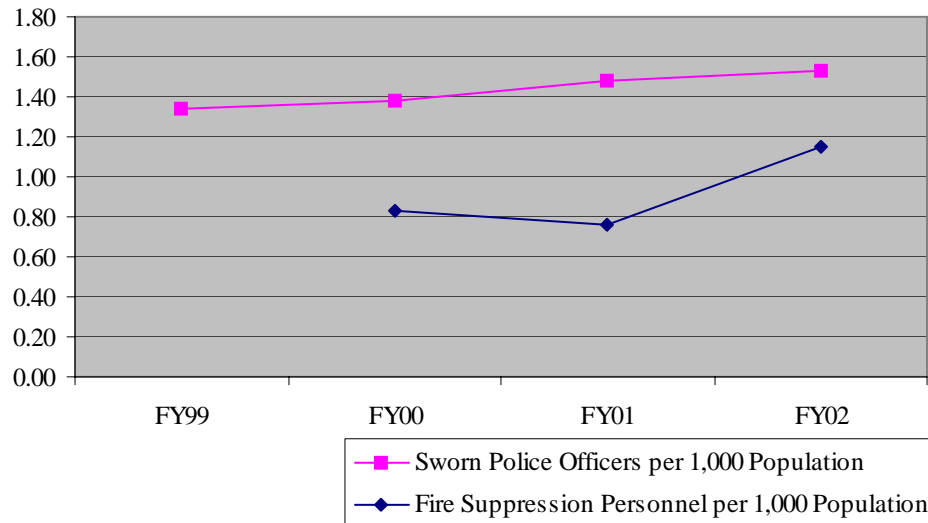
Note: 1. Fiscal year begins in July of the previous year, and ends June 30 of the listed year; FY02 spans from July 1, 2001 to June 30, 2002.

Note: 2. Population data for FY00 does not match 2000 Census, which represents April 1, 2000.

Source: City of Surprise Economic Development Department, DES

FOCUS AREA: CREATING A DESIRABLE COMMUNITY

Chart 2
Sworn Police Officers and Fire Suppression Personnel per 1,000 Population



The number of sworn police officers and fire suppression personnel in the City of Surprise has been increasing steadily each year. In 2002, there were nearly double the number of sworn police officers compared with just three years earlier. The number of fire suppression personnel has similarly nearly doubled since the 2000 fiscal year.

Table 2
Number of Sworn Police Officers and Fire Suppression Personnel, FY99 to FY02¹

	FY99	FY00	FY01	FY02
Sworn Police Officers	35	45	57	69
Fire Suppression Personnel	na	27	29	52
Ending Population ²	26,145	32,515	38,400	45,125
Sworn Police Officers per 1,000 Population	1.34	1.38	1.48	1.53
Fire Suppression Personnel per 1,000 Population	na	0.83	0.76	1.15

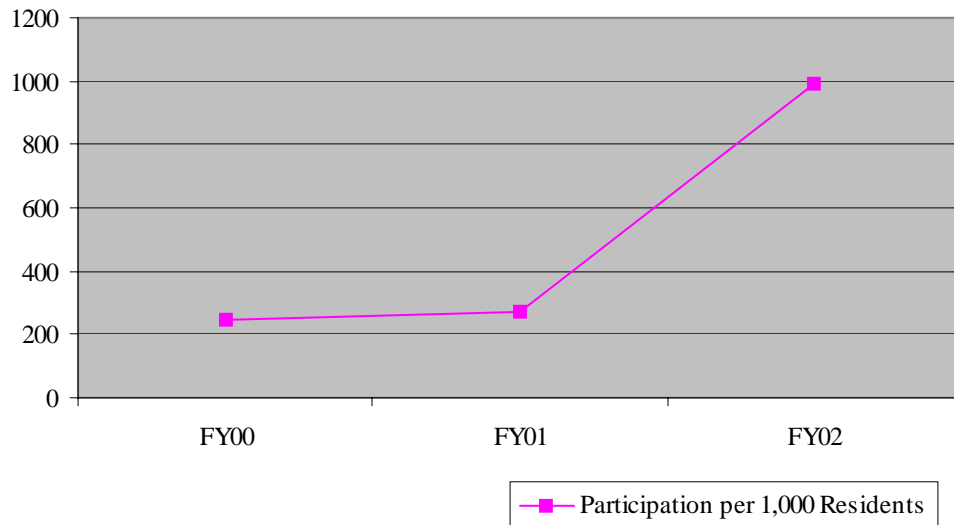
Note: 1. Fiscal year begins in July of the previous year, and ends June 30 of the listed year; FY02 spans from July 1, 2001 to June 30, 2002.

Note: 2. Population data for FY00 does not match 2000 Census, which represents April 1, 2000.

Source: City of Surprise FY 2003 Annual Budget, DES

FOCUS AREA: CREATING A DESIRABLE COMMUNITY

Chart 3
Participation in Parks and Recreation Programs per 1,000 Residents



The level of participation in recreational programs in the City of Surprise has been on the upswing for the past few years. Although data was not available for 1999, the City experienced a more than five-fold increase in the number of participants in park and recreation programs during the short span of 2000 to 2002. Aquatics participants (beginning in 2002) accounted for the vast majority of the increase between 2001 and 2002 (with more than 30,000 participants).

Table 3
Participation in City of Surprise Parks and Recreation Programs per 1,000 Residents, FY00 to FY02¹

	FY00	FY01	FY02
Participants	8,014	10,538	44,856
Ending Population ²	32,515	38,400	45,125
Participation per 1,000 Residents	246.5	274.4	994.0

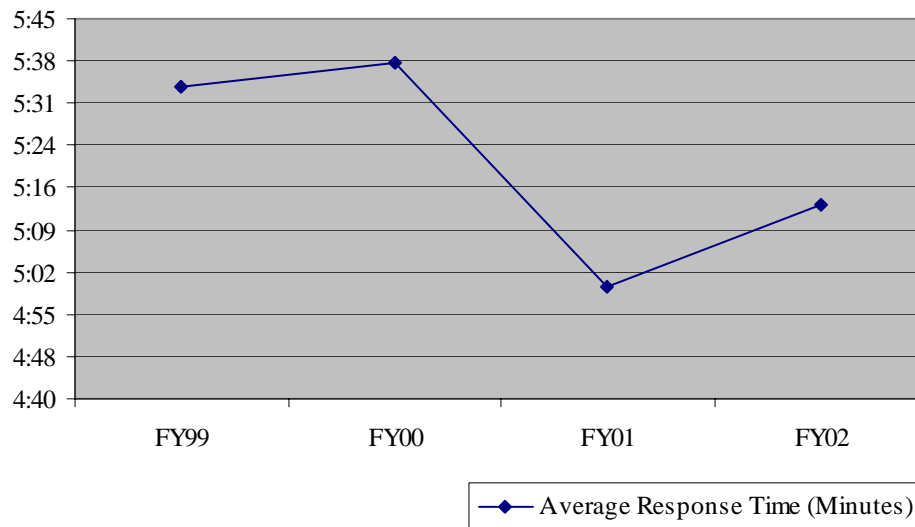
Note: 1. Fiscal year begins in July of the previous year, and ends June 30 of the listed year; FY02 spans from July 1, 2001 to June 30, 2002.

Note: 2. Population data for FY00 does not match 2000 Census, which represents April 1, 2000.

Source: City of Surprise FY 2003 Annual Budget, DES

FOCUS AREA: CREATING A DESIRABLE COMMUNITY

Chart 4
Average Fire Department Response Time



The average fire department response time for the City of Surprise has fluctuated somewhat over the past few years. From FY99 to FY00, the response time increased slightly, as the average moved from 5:34 to 5:38. Despite the increase in 2000, the average time subsequently plunged to five minutes even for 2001, only to increase again by 14 seconds in 2002. Both total population and the number of incidents have increased by more than 70 percent from FY99 to FY02. A new fire station opened in FY02 to help service the City's growing population.

Table 4
Fire Department Average Response Time, FY99 to FY02¹

	FY99	FY00	FY01	FY02
Average Response Time (Minutes)	5:34	5:38	5:00	5:14
Number of Incidents	2,933	3,033	4,179	5,086
Ending Population ²	26,145	32,515	38,400	45,125
Number of Stations	2	2	2	3

Note: 1. Fiscal year begins in July of the previous year, and ends June 30 of the listed year; FY02 spans from July 1, 2001 to June 30, 2002.

Note: 2. Population data for FY00 does not match 2000 Census, which represents April 1, 2000..

Source: City of Surprise FY 2003 Annual Budget, Fire Department

Focus Area #2: Developing an Educated and Skilled Labor Force

Description: The City of Surprise's demographics show the current and future population and labor force growth patterns of Surprise's commute zone are well above the national average according to a study published in early 2000 by Wadley Donovan Group (WDG). A thirty-minute drive from Surprise's commute node (Bell Road and Grand Avenue) encompasses a population of 638,419 residents, for a minimum labor force of 378,389. By 2004, the population of the commute zone is expected to reach 704,843 individuals, reflecting a 10.4 percent growth rate between 1999 and 2004 (versus 10.2 percent of the metro area and 4.2 percent for the U.S.).

According to the study, the demographics of Surprise and the sub-region indicate a growing ability to meet local employers' workforce needs. Surprise and the sub-region are growing very rapidly. Current and projected growth is providing the sub-region with an expanding, well-educated workforce. Area employers surveyed indicated a high productivity and work ethic in Northwest Metropolitan Phoenix area, according to the WDG study. Daily absenteeism is reported as very low and turnover was found to be less than 5 percent. Most skill levels were reported as satisfactory.

However, there are current shortages within the workforce. For example, Sun Health is still short 200 nurses. Supplying enough healthcare workers to support the growth in this industry statewide and nationally is a growing concern. In response to this need, the Boswell School of Nursing that is located within the area is graduating 60 students this year and more in future years.

Surprise understands the importance of continuing to improve the educational system in the area. Access to a quality education is the number one aspect of economic development success. The recent voter approval of the Joint Technical Education District resulted in vocational education and technology training becoming a big part of West Valley education. The program will take effect when school starts in August 2003. The number one priority of the technical education district will be to enhance and improve existing programs. From there, the district will develop new programs, partner with local businesses, and build a campus.

Goals:

1. Ensure current and future residents of Surprise have access to educational opportunities to remain competitive in the workplace.
2. Continue to collaborate and establish linkages between educational institutions and the business community in order to ensure a skilled labor force.
3. Create a "premier" educational system.

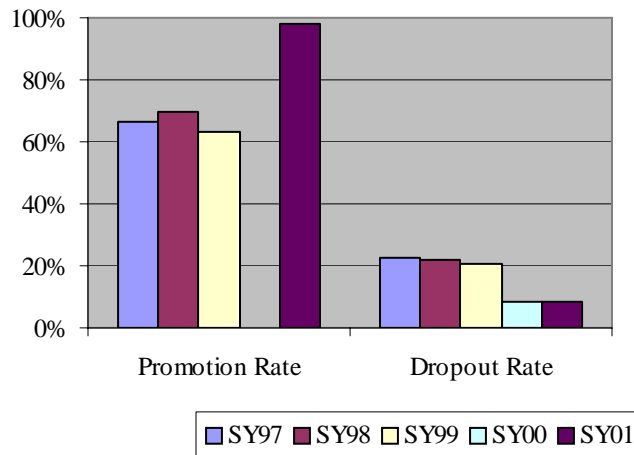
Strategies:

1. Continue to strengthen the partnership between the City of Surprise and local school district. (ONGOING)
2. The City should continue to encourage developers to work closely with the local school districts to ensure that there are adequate school facilities to meet demand. (ONGOING)
3. SEDAB and the Chamber of Commerce should facilitate a dialogue between the business community and local school district to ensure that the educational system is positioned to meet local demand. (ONGOING)
4. SEDAB should facilitate a dialogue between the local healthcare industry and regional/local educational programs to ensure that training programs (i.e., Southwest Skills Center, Maricopa Community College District) can be developed and implemented to meet their growing demands for employees. (IMMEDIATE)
5. The City of Surprise should continue to promote the community as an ideal location for post-secondary educational institutions. (ONGOING)

COMMUNITY INDICATORS

FOCUS AREA: EDUCATED AND SKILLED LABOR FORCE

Chart 5
Promotion and Dropout Rate



Note: SY00 promotion rate data not available.

Promotion and dropout rates exhibited little change between the 1997 and 1999 school years. Both were far worse (i.e. promotion rates were lower and dropout rates were higher) than the state average. In the 2000 and 2001 school years, however, a marked difference was demonstrated, with available data showing both statistics vastly improved and better than the state average.

The dropout rate is the percentage of students counted as withdrawn due to chronic illness, expulsion, or dropping out during the school year, to include activity during the summer of the school year. This rate includes students who were withdrawn after 10 consecutive days of unexcused absences or were coded by the school as "status unknown." Students reported as dropouts during one academic year who return for the following academic year are not accounted for.

The promotion rate is the percentage of students promoted to the next grade or who met graduation requirements and received a traditional diploma at the end of the school year. Percentage includes students who left school at age 22 or who had completed school and received a non-traditional diploma.

Dysart High School was the only high school included in the statistics gathered. Arizona Charter Academy and Superior School also served high school age students in the City of Surprise, but separate promotion and dropout statistics for high school age students (only) were not available.¹

¹ It would not be appropriate to combine / compare dropout statistics for schools serving different grade levels as the circumstances pertaining to being classified a dropout for younger students are more limited.

Table 5

Dysart High School Promotion and Dropout Rates, SY97 to SY01¹

	SY97	SY98	SY99	SY00	SY01
Dysart High School					
Promotion Rate	66.2%	69.9%	63.1%	na	98.2%
Dropout Rate ²	22.9%	22.0%	20.9%	8.2%	8.2%

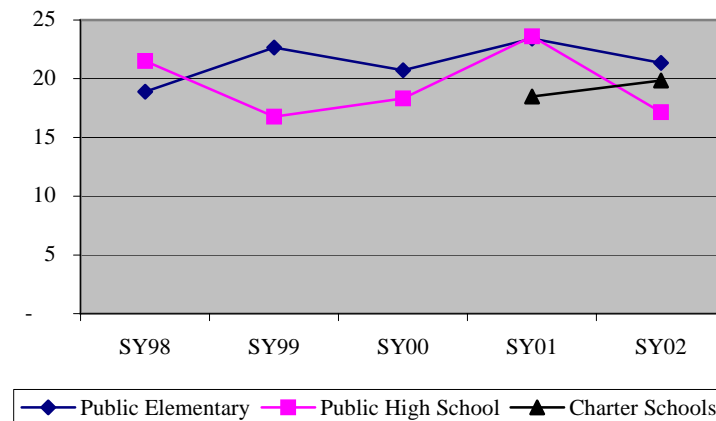
Note: 1. School year begins in the year listed; SY97 begins in 1997 and ends in 1998.

Note: 2. Dropout rate data for SY00 was not available from the School Report Card and was instead gathered from ADE's annual dropout rate report.

Source: Arizona Department of Education, School Report Cards

FOCUS AREA: EDUCATED AND SKILLED LABOR FORCE

Chart 6
Student /Teacher Ratio



The student/teacher ratio has fluctuated year to year at both the elementary/secondary level and at the high school level, but within a relatively small range. The student/teacher ratio at the elementary/secondary level has ranged between 18.8 and 23.4 in recent years. The student/teacher ratio at the high school level was on average a bit lower, ranging from 16.7 to 23.6. Data for charter/private schools was available only for SY01 and SY02, and showed student/teacher ratios below 20 for both years.

Table 6
Enrollment, Number of Teachers, and Student Teacher Ratio, SY98 to SY02

	SY98	SY99	SY00	SY01	SY02
Enrollment					
Public Elementary	1,379	1,563	1,658	2,999	4,076
Public High School	860	889	1,008	1,723	1,578
Charter/Private Schools	N/A	N/A	N/A	896	1,052
Number of Teachers¹					
Public Elementary	73	69	80	128	191
Public High School	40	53	55	73	92
Charter/Private Schools	N/A	N/A	N/A	49	53
Student/Teacher Ratio					
Public Elementary	18.89	22.65	20.73	23.43	21.34
Public High School	21.50	16.77	18.33	23.60	17.15
Charter/Private Schools	N/A	N/A	N/A	18.47	19.85

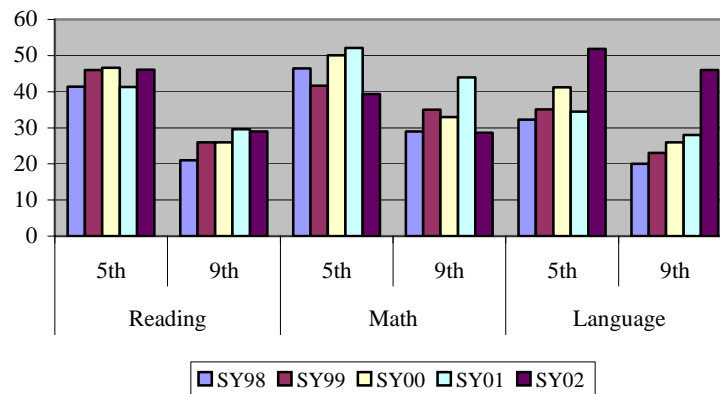
Note: 1. Includes teacher category only (excludes aides and other staff).

Note: 2. It should be noted that the student/teacher ratio is an overall average, with some classes larger and others smaller than the average.

Source: Arizona Department of Education, School Report Cards

FOCUS AREA: EDUCATED AND SKILLED LABOR FORCE

Chart 7
Stanford 9 Percentile Scores



The Stanford 9 is a national norm-referenced test and scores reflect percentile ranks, 50 the national average in each section. Local Stanford 9 scores for fifth graders increased with between the 1998 and 2002 school years substantially in the language category, exceeding the national average. Math scores for fifth graders in 2002 are both lower than 1998 and below recent past years. Reading scores are higher than 1998 as well. Stanford 9 scores for local ninth graders, in reading and math continue to be substantially below the national average. Language scores for ninth graders however, were nearly equal to the national average of 50 in 2002.

Table 7
Local¹ and Countywide Stanford 9 Scores in Reading, Math, and Language, SY98 to SY02

	5th Grade					9th Grade				
	SY98	SY99	SY00	SY01	SY02	SY98	SY99	SY00	SY01	SY02
Geography										
Local										
Reading	41	46	47	41	46	21	26	26	30	29
Math	46	42	50	52	39	29	35	33	44	29
Language	32	35	41	35	52	20	23	26	28	46
Maricopa County										
Reading	54	53	53	55	N/A	47	47	46	46	N/A
Math	58	59	61	62	N/A	62	64	65	66	N/A
Language	47	47	48	49	N/A	44	45	45	46	N/A

Note: 1. See appendix for listing of schools included and weighting of scores.

Source: Arizona Department of Education

Focus Area #3: Ensuring Positive Economic Growth

Description: Economic development is about creating a high and rising standard of living. It is also about creating a more diverse and stabilized economy that can sustain the community long-term through the ups and downs of economic cycles. Attracting quality businesses to the City of Surprise includes a mix of businesses that currently drive the local economy but also must include technology-based businesses. Technology-based economic development is a complex and dynamic combination of innovation, entrepreneurial activities, public policy, infrastructure, and other factors. According to Sharon Harper, Chairperson of Greater Phoenix Economic Council and CEO of Plaza Companies, “A high-tech economy is an economy based on innovation, education, a well-planned and executed physical infrastructure, and a progressive and sound fiscal policy.”

When defining the City of Surprise’s niche in attracting quality businesses, five potential segments were targeted. These include:

- ✓ Retail and Commercial Services
- ✓ Recreation-Related, Entertainment, and Arts/Culture Support Businesses
- ✓ Healthcare
- ✓ Biotechnology
- ✓ Indigenous Entrepreneurship

As the City of Surprise focuses on expanding its economic base within the five potential segments listed above, maintaining the economic viability of current economic generators remains important. Luke Air Force Base, located adjacent to Surprise, employs approximately 8,000 military and civilian workers and impacts Arizona economically in the amount of \$1.4 billion annually. The City of Surprise is dedicated to the long-term viability of Luke Air Force Base and will work to ensure that Luke is protected and allowed to continue to carry on its mission after the next round of base closures, starting in 2005. Surprise desires to work collaboratively with the State of Arizona and other entities to resolve the land use compatibility and encroachment issues that bases are facing statewide.

Retail and Commercial Services. The City of Surprise is financially dependent upon sales tax revenues generated from retail and commercial establishments. Attracting the appropriate mix of retail and commercial services is critical to the community’s quality of life as well as financial sustainability.

Recreation-Related, Entertainment, and Arts/Culture Support Businesses. The City of Surprise is in an enviable position of having not one but two Cactus League teams call the City home during the spring training season. The Surprise Stadium is a \$48.3 million, state-of-the-art spring training venue for the Texas Rangers and Kansas City Royals. The stadium holds 10,700 and brings with it the opportunity of attracting supportive recreation and entertainment-related businesses to the area. Arts and culture are big business in their own right and the Surprise area has excellent facilities and programs, such as the West Valley Art Museum and the Sundome. In

addition, arts and culture is also key to attracting knowledge-based businesses and educated workers, and making communities more enjoyable. The arts are front and center in major cities in this country and have a tremendous impact on the local economy. For example, Metro Denver in 2001 measured a \$1.1 billion annual economic impact from arts and culture. Arts and cultural development is an under-appreciated aspect of the Phoenix Metropolitan's growing economy, and one in which the City of Surprise can be a leader in promoting as part of the economic diversification equation.

Healthcare. Healthcare utilization nationwide is rising at a robust rate, which bodes well for the hospital and healthcare industries. The aging of the baby boomers, concurrent with a boom in healthcare technology and growing life expectancy, will support consumer demand. As a recent headline in *The Business Journal* announced, "Thousands of health care jobs coming to West Valley." Healthcare continues to be an underestimated and undervalued economic engine. Healthcare includes a broad range of services performed by physicians, dentists, and other practitioners, as well as hospitals and related research centers. Community-based Sun Health is continuing to expand in Surprise. With over \$118.2 million in annual payroll and expansions at Boswell Memorial and Del E. Webb Hospitals, the healthcare industry is a critical component to Surprise's existing and future economic vitality. This industry is the catalyst for creating quality jobs with higher-than-average wages.

Biotechnology. Biotechnology is largely a separate industry more closely related to pure research rather than the implementation of the research. However, biotechnology is typically physically located near a research university and is dependent upon research grants. The State of Arizona and the Greater Phoenix Economic Council have shown their interest in growing the biotechnology industry through their financial support of the Translational Genomics Research Institute. Like other cities within the region, the City of Surprise may be able to position itself to attract supportive businesses within the biotechnology industry. Biotechnology companies are typically small businesses with jobs of relatively higher wage levels compared to the national average. Historically, biotechnology companies have had a difficult time making money. In fact, it is estimated that it takes an average of 15 years for companies to turn a profit, if they survive. Estimates of the industry's overall losses have approached \$6 billion. However, Arizona and the region have made good strides in advancing biotechnology opportunities. The City of Surprise should determine what role it will play to support this emerging regional industry.

Indigenous Entrepreneurship. Encouraging indigenous entrepreneurship means helping new and young businesses and organizations thrive. This assistance could be technical assistance, information, business training, or opportunities to learn from others. Entrepreneurship has become especially important in recent years, given that the majority of net new job growth emanates from small businesses. In support of indigenous entrepreneurial activity, for example, a technology business incubator may combine a real estate-based approach (providing a building) with incentives (short-term tax abatement) and policy support (a training program for small-business owners). Depending on its structure, the incubator program may also engage in assisting in business recruitment efforts, perhaps bringing in an anchor tenant.

Goals:

1. Implement a strong economic development program that supports the expansion of the five target areas (i.e., Retail and Commercial Services; Recreation-Related, Entertainment, and Arts/Culture Support Businesses; Healthcare and Biotechnology; and Indigenous Entrepreneurship).
2. Expand and diversify the Surprise tax base.
3. Continue to develop the foundations (e.g., water, sewer, transportation, land and building inventory, telecommunications, and capital) that are needed to support business development.
4. Continue to support the mission of Luke Air Force Base and work to ensure its long-term economic benefit to the region and the State of Arizona.

Strategies:

General

1. SEDAB develop and the City adopt an incentive policy to be used to attract appropriate business to Surprise. (IMMEDIATE)
2. The City shall conduct a land and building inventory. (IMMEDIATE)
3. The City shall implement a comprehensive capital improvement plan to address the short- and long-term infrastructure needs of the community. (ONGOING)
4. SEDAB and the Economic Development Department shall continue to coordinate with the Greater Phoenix Economic Council (GPEC) and other economic development organizations (e.g., Arizona Department of Commerce) in meeting the Surprise economic development goals. (ONGOING)
5. SEDAB and the Economic Development Department will develop marketing pieces geared to the five economic development segments. (INTERMEDIATE)
6. The Economic Development Department will develop a guide explaining, in simple terms, the City's development review and approval process. (IMMEDIATE)
7. The Economic Development Department will complete quarterly updates of the website and include marketing materials as they are completed. (ONGOING)
8. The Economic Development Department will develop an insert on economic development and the five segment activities in the Surprise "Inside Scoop" as well as information on the Strategic Plan for Economic Development. (ONGOING)

Retail and Commercial Development

1. The Economic Development Department will attend the ICSC conference every year to generate and then follow up on retail leads. (ONGOING)
2. The Economic Development Department will continually analyze retail and commercial sales tax revenues to track the mix of retail as well as retail leakage out of the City of Surprise. (IMMEDIATE)
3. SEDAB and the Economic Development staff will develop a retail/commercial-marketing plan for the City of Surprise. (INTERMEDIATE)
4. SEDAB and the Economic Development staff will pro-actively implement the retail and commercial marketing plan in order to attract new establishments that provide needed services to residents while generating tax revenues for the City of Surprise. (INTERMEDIATE)

Recreation and Entertainment

1. The City of Surprise, working with the Chamber of Commerce and other private entities, will develop a master plan for visitor destination development (i.e., appropriate facilities and activities to attract and keep visitors in Surprise). (IMMEDIATE)
2. The City of Surprise will develop Dream Catcher Park, which will be geared to handicapped-accessible recreational activities. (IMMEDIATE)
3. SEDAB and the Economic Development staff will develop a recreation and entertainment marketing plan for the City of Surprise. (INTERMEDIATE)

Healthcare

1. The Economic Development Department will study the economic impact of healthcare facilities on the City and promote this impact. (IMMEDIATE)
2. The City of Surprise, working with local healthcare organizations, will encourage the development of a medical village campus. (IMMEDIATE)

Biotechnology

1. SEDAB and the Economic Development staff will encourage local hospitals and doctors to form partnerships with Translational Genomics Research (TGEN) and other biotechnology activities occurring within the region. (ONGOING)
2. The Economic Development staff, working with GPEC, will identify a list of potential bio-support businesses that are compatible with the City of Surprise. (IMMEDIATE)

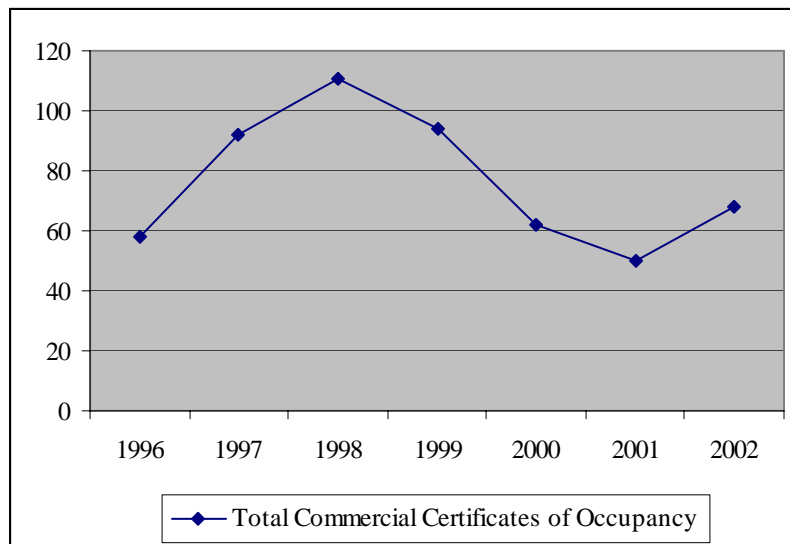
Indigenous Entrepreneurship

1. SEDAB, the Chamber of Commerce, and staff will continue to implement business retention and expansion activities such as visitation program, database, follow-up, and directory of businesses. (ONGOING)
2. SEDAB, the Chamber of Commerce, and the Economic Development staff will promote the SBDC assistance activities and seminars to local small business. (ONGOING)
3. SEDAB, Chamber of Commerce, and the Economic Development staff will develop a technical assistance handout for inclusion on the website related to start-up businesses (e.g., financing opportunities, business plan development and marketing). (INTERMEDIATE)

COMMUNITY INDICATORS

FOCUS AREA: ENSURING POSITIVE ECONOMIC GROWTH

Chart 8
New Businesses Established



Commercial certificates of occupancy are required when a new business location is established in the City. While not all of the activity identified here represents continuing viable businesses, this data does provide an approximation of new business locations in the City. The City of Surprise has had a steady stream of new commercial certificates of occupancy since 1996, peaking at 111 in 1998 and averaging more than 75 per year from 1996 to 2002. Before 2001, it is not known how much of this total represents tenant improvements (individual tenants in leased space) as compared to new commercial buildings and other additions to the total commercial square footage in the City. For 2001 and 2002, approximately one-third of these certificates of occupancy amounted to additions to commercial square footage, at an average of more than 30,000 square feet per building.

Table 8
Number of Commercial Certificates of Occupancy Issued by the City of Surprise, 1996 to 2002¹

	1996	1997	1998	1999	2000	2001	2002
Total Commercial Certificates of Occupancy	58	92	111	94	62	50	68
Tennant Improvements ²	N/A	N/A	N/A	N/A	N/A	36	42
New Freestanding Buildings ^{2,3}	N/A	N/A	N/A	N/A	N/A	14	26
New Square Footage ^{2,3}	N/A	N/A	N/A	N/A	N/A	529,309	718,670

Note: 1. Data for 2002 as of 11/25

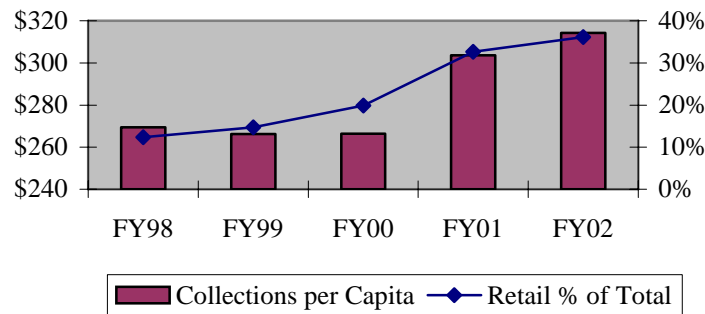
Note: 2. Detail data not available before 2001.

Note: 3. Includes modular and additions.

Source: City of Surprise

FOCUS AREA: ENSURING POSITIVE ECONOMIC GROWTH

Chart 9
City of Surprise Sales Tax Collections per Capita and Retail Percentage of Total



Note: Not adjusted for inflation.

The general retail sales tax rate for the City of Surprise has remained fixed at 2% from FY98 through FY02. Sales tax collections per capita have increased in Surprise in recent years, exceeding \$314 in FY02. Many rapidly growing cities rely on construction sales tax revenues as a large share of revenues. While construction sales tax is a substantial share of sales tax collections in Surprise, it makes up a decreasing share (mostly due to growth in revenues from other sources, especially retail).

Table 9
City of Surprise Sales Tax Rate and Collections, FY98 to FY02¹

	FY98	FY99	FY00	FY01	FY02
Sales Tax Rate					
State	5.0%	5.0%	5.0%	5.0%	5.6%
County	0.7%	0.7%	0.7%	0.7%	0.7%
Local	2%	2%	2%	2%	2%
Total	7.7%	7.7%	7.7%	7.7%	8.3%
Collections²					
Construction	\$3,929,801	\$5,381,715	\$6,343,376	\$7,179,761	\$7,572,938
Retail Trade	\$627,643	\$1,024,785	\$1,720,237	\$3,805,439	\$5,122,486
Restaurant	\$379,935	\$420,377	\$464,757	\$533,430	\$1,264,908
Hotel/Motel	\$137,187	\$135,608	\$133,121	\$139,867	\$216,571
Total	\$5,074,566	\$6,962,485	\$8,661,491	\$11,658,496	\$14,176,902
Ending Population ³	18,830	26,145	32,515	38,400	45,125
Collections per Capita	\$269.49	\$266.30	\$266.38	\$303.61	\$314.17
Property Tax Rate					
Primary	0.4155	0.4155	0.4110	0.6632	0.6632
Secondary	0.9413	0.6298	0.4400	0.1777	0.2469

Note: 1. Fiscal year begins in July of the previous year, and ends June 30 of the listed year; FY02 spans from July 1, 2001 to June 30, 2002.

Note: 2. Selected sales tax activities, not adjusted for inflation. Tax rates and changes include: FY2002 Restaurant & Bar Tax increased from 2% to 5%, Food is taxed at 1% and included in the retail category, and Hotel rate is 5% throughout.

Note: 3. Population data for FY00 does not match 2000 Census, which represents April 1, 2000.

Source: City of Surprise Finance Department, Arizona Tax Research Foundation, Arizona Department of Revenue, DES

V. Strategic Action Plan Implementation

Implementation of the Surprise Focused Future II effort requires a coordinated, focused effort to ensure success. The plan recognizes that in order for the community to be successful in economic development, community coordination and a strong public/private partnership must be established. This partnership is based on a clear understanding and acceptance of the various roles and responsibilities of the entities within the community and region. Additionally, good communication and effective coordination strengthen this relationship.

No one does economic development alone. The City of Surprise is so closely tied to the various stakeholders (e.g. business, healthcare, education, and government) within the area and they are also dependent upon one another. Surprise's goal is to be the model for collaboration within all aspects of community and economic development.

A. Organizational Responsibilities

An understanding of the specific roles and responsibilities of the various entities involved in economic development is critical to the success of any economic development program. With shrinking budgets and closer public scrutiny, the City of Surprise cannot afford to duplicate efforts. Financial and human resources are limited and must be put to effective use.

In order for Surprise to be competitive in the economic development arena, critical organizational issues must be addressed. There are five key elements that must be addressed to ensure organizational effectiveness.

Capable Leadership. Qualified leadership is important to any economic development organization's success. Responsible, capable individuals who are knowledgeable about the community and action-oriented should be involved in all phases of the program.

Clearly Defined Purpose. No organization can succeed without a clear understanding of its purpose and functions. It is important to define the exact role organizations and individuals play in economic development.

Adequate Funding. Funds must be provided to accomplish an organization's objectives. The level of competition in economic development today requires strong financial support.

Professional Staff. The need for professionalism in economic development has never been greater. Economic development professionals are found in all but the smallest communities.

Sound Organizational Structure. The economic development organization must be structured to meet local needs and to mobilize critically needed human and financial resources.

The *Surprise Focused Future II Strategic Plan for Community and Economic Development* is designed to address these critical organizational issues and outline appropriate implementation strategies for Surprise.

There are several entities that play a role in economic development. These entities either play primary or secondary roles in assisting Surprise's economic development.

Primary Role

SEDAB
City of Surprise
Northwest Valley Chamber of Commerce
Local Businesses
SBA/SBDC

Support Role

APS
Arts Groups
Community Based Organizations
Sun Health
GPEC
State Agencies
Local Schools

The following is a brief discussion of the City of Surprise, SEDAB, the Northwest Valley Chamber of Commerce, and GPEC as they relate to implementation of economic development.

CITY OF SURPRISE

Discussion:

The City of Surprise has played an active role in economic development for many years. Most recently, with the organization of the SEDAB, it has focused its economic development efforts. The City of Surprise has supported the efforts of the Northwest Valley Chamber of Commerce and has been a member of the Greater Phoenix Economic Council (GPEC). It has been a leader in collaborative partnerships with the private sector on all aspects of development including the spring training facilities. The City has focused on "building the economic foundation" through infrastructure improvements, updated plans and ordinances, and other activities that make Surprise a good place to do business.

The City's government gets involved in economic development at two levels: policy and administration. Political leadership that adopts strong policies is essential if the community is to be competitive in economic development. The City of Surprise City Council has demonstrated its leadership and support on recent economic development projects that have been attracted to the community as well as its leadership in protecting Luke Air Force Base from incompatible encroachment. By setting policy, elected officials set the tone for development in the area. It is critical that the City Council provide the support to staff to carry out the duties necessary to make the plan a reality.

Responsibilities:

Policy. The City is responsible for creating and adopting policies and regulations that encourage and support quality economic growth and development.

Funding. The City Council, through its annual budget process, should continue to fund economic development activities locally. The City is always looking for creative financing options and incentives to maximize existing financial resources to support quality projects.

Planning and Assistance. The City oversees community and economic development efforts within Surprise. Ensuring that the development process is streamlined and business friendly while promoting a sustainable,

quality community is a critical role for the City of Surprise. City staff provides development assistance and is committed to continual improvement to ensure that the City remains a good place to work, live, and play.

Community Outreach. The City of Surprise is committed to including the residents of the community in local decision-making. Through effective communications and community events, residents and stakeholders have an opportunity to get involved and make a difference in the future of Surprise.

Foundation Development. The City of Surprise plays the primary role in the development of the economic foundations, such as infrastructure (water, wastewater, public safety, and streets) within the jurisdiction. Ensuring that there are adequate facilities and capacity to meet current and future demand is critical to economic development efforts.

Support and Coordination. The City of Surprise will support the efforts of other local and regional organizations as they relate to economic development.

SURPRISE ECONOMIC DEVELOPMENT ADVISORY BOARD

Discussion:

The purpose of the Surprise Economic Development Advisory Board (SEDAB) is to assist the City of Surprise's Economic Development Department to improve and promote the economy of the City of Surprise. SEDAB is also responsible for diversifying and stabilizing the local economic base, as well as developing new job opportunities for its citizens. SEDAB carries out these responsibilities in a manner that is consistent with sustained, prudent, and reasonable growth.

SEDAB serves in an advisory capacity making recommendations to the City Council on economic development issues in light of economic impacts, City policy, and what would serve the long-term good of all the people of Surprise. Additionally, SEDAB provides their expertise to the Economic Development Director when working with prospects and participates in prospecting trips when appropriate.

Responsibilities:

Policy. SEDAB is responsible for creating and recommending policies and regulations that will assist economic development efforts.

Planning and Assistance. SEDAB provides its expertise to the City on appropriate community and economic development efforts within Surprise. SEDAB may get involved in the development of studies, plans, and other planning reports as appropriate. All studies, reviews, recommendations and specific plans formulated or submitted by SEDAB are advisory only and are not binding until the final actions of the Economic Development Department, the Surprise City Council, or any other City staff.

Foundation Development. SEDAB provides an advisory role in presenting recommendations to the City of Surprise regarding the development of the economic foundations, such as infrastructure (water, wastewater, public safety, and streets) within the jurisdiction. Ensuring that there are adequate facilities and capacity to meet current and future demand is critical to economic development efforts.

Support and Coordination. SEDAB supports the efforts of other local and regional organizations as they relate to economic development.

NORTHWEST VALLEY CHAMBER OF COMMERCE

Discussion:

The Chamber of Commerce is dedicated to promoting and sustaining a quality environment conducive to the area's economic growth and development. It is a non-profit entity that is governed by a volunteer Board of Directors and serves five communities. The Chamber has 675 members (November 2003) with approximately 100 members from the City of Surprise. A full-time professional Executive Director and volunteers carry out the Chamber's day-to-day activities. The Chamber has been active in promoting the area, participating in local events, and coordinating with other organizations. The Chamber of Commerce is supported equally by membership dues and events. Currently, none of its funding is received from the cities it serves.

Business networking has always been an important role that the Chamber of Commerce plays within the area. This is an important role so that member businesses can share lessons learned and broker relationships. As the City of Surprise continues to grow and attract more businesses to the area, the Chamber of Commerce's importance within the community will also grow. It is critical for the Chamber to continue to strengthen its programs and collaborative partnerships to meet the demands of this dynamic region.

The Focused Future Strategic Plan for Economic Development outlines the following responsibilities for the Northwest Valley Chamber of Commerce.

Responsibilities

Represent the Business Interests. As a membership-driven business organization, the Chamber is responsible for representing the interests of the local business community.

Business Network and Advocacy. The Chamber is responsible for providing networking opportunities for businesses within the area. A strong local business network is critical for the success of implementing a collaborative economic development strategy.

Business Retention and Expansion. The Chamber should work collaboratively with the City of Surprise, SEDAB, and SBDC in implementing an active business retention and expansion program.

Visitor and Special Events Promotion. The Chamber, working collaboratively with the City of Surprise, shall promote the City of Surprise and the region as a tourism and recreational destination.

Support and Coordination. The Chamber will support the efforts of other local and regional organizations as they relate to economic development.

GREATER PHOENIX ECONOMIC COUNCIL (GPEC)

Discussion:

The mission of the Greater Phoenix Economic Council (GPEC) is to utilize public/private resources to generate high-quality investment and jobs by attracting globally competitive firms to Metro Phoenix. To

carry out this mission GPEC markets the Phoenix Metro Area nationally and internationally as a business location. Leads gained from activities are distributed to GPEC's 14 member cities. Current member cities are Buckeye, Chandler, El Mirage, Fountain Hills, Gilbert, Glendale, Goodyear, Mesa, Peoria, Phoenix, Surprise, Scottsdale, Tempe, and Tolleson. GPEC services to member cities not only include lead generation, organization of prospecting trips, community education, and access to site selectors through "Executours."

Responsibilities:

Research Support. GPEC houses several researchers who have the capability to compile pertinent demographic information on the Valley and the Surprise area. Information includes selected economic indicators such as cost of doing business, employment and labor force, and housing and real estate. Custom reports can be generated upon request.

Business Support. GPEC, in many cases, is the first point of contact for growing companies looking for assistance with corporate relocation and expansion. Their staff provides clients with the following assistance: Site Selection, Labor Market Analysis, Financial Contacts, Job Training Assistance, Custom Research, Build-to-Suit/Design Building Coordination, Building Information, Access to Regulatory Authorities, Employee Recruitment Assistance, and Coordination of State and Local Assistance.

Marketing Nationally and Internationally. GPEC markets the region nationally and internationally in the form of advertisements, earned media, and on their website. The goal is to draw the perspective businesses to the region while also bringing exposure to the City of Surprise via the GPEC website and through responses to GPEC leads.

Community Participation. GPEC provides education to the community on economic development. Representatives are experts in their field and in the future will speak at City Summits and community events, and participate in strategic planning.

Building Relationships with Site Selectors. GPEC has the "GPEC 100," a list of prominent site selectors who have historically been active in the Phoenix market. From this list, GPEC organizes trips to visit and update these individuals on the region as a whole. Cities are invited to participate in order to build relationships and represent the region. GPEC also hosts the "Executour," a bi-annual event. Site selectors are flown to the Phoenix area to receive updates from GPEC member communities. This face-to-face interaction and relationship building is valuable to economic development.

B. Strategic Plan Evaluation and Update

The success of any plan or planning effort is measured by how it is implemented. The plan serves as the blueprint for Surprise's local economic development efforts. However, it is critical to monitor how the Strategic Plan is put into action. It is the primary responsibility of the SEDAB and City of Surprise Economic Development Department to monitor the strategic plan's implementation. Following are specific steps to ensure the plan is implemented.

- **Adoption.** All local entities involved in the strategic planning process shall adopt the Strategic Plan for Economic Development.

- **Community Communication.** The Surprise Focused Future II process involved a tremendous amount of public participation. Community communication about the plan and progress is critical. Upon adoption of the plan, the specific goals and strategies should be communicated to the public and the plan made available to anyone for review.
- **Plan Distribution and Presentations.** There are many different organizations that can support and assist Surprise in Strategic Plan implementation. It is very important for Surprise to announce to these agencies (GPEC, APS, Arizona Department of Commerce, etc.) that Surprise has its plan in place. These groups must understand the community's vision for the future and how they can assist the community in meeting its goals.
- **Work Program Refocus.** Following plan adoption, the SEDAB and City of Surprise will develop a work program to implement plan goals and strategies. Annually the Work Program will be analyzed and updated. The SEDAB and City of Surprise will use the work program to monitor the implementation of the Strategic Plan.
- **Policy Maker Meetings.** The City Council, Economic Development Staff, SEDAB, and other key stakeholders shall meet annually to review performance and to make modifications to the work program if necessary. Additionally, the purpose of these meetings is to ensure communication and accountability.
- **Community Indicators Evaluation/Annual Economic Development Townhall.** Annually, Surprise should evaluate the progress it has achieved on each of the community indicators. Surprise will prepare a summary report and present the results at the Surprise Economic Development Townhall. The Townhall shall review accomplishments, changes in the local economy, and recommended changes to the plan. Changes made to the plan shall be adopted by the various entities adopting the original plan.
- **Work Program Funding.** Each of the entities shall develop one-year budgets to fund and implement the work program. Annual budget requests shall be based on the strategies to implement the Action Plan.

The community, as a result of the APS-sponsored Focused Future II Program, has the necessary tools and expertise available to it to keep the Strategic Plan up-to-date. Additionally, the APS Community and Economic Development staff is available to assist the community in its ongoing efforts.

City of Surprise

Strategic Plan for Community and Economic Development

Acknowledgements

The Surprise Focused Future II Strategic Plan for Community and Economic Development was truly a grass-roots, citizen-driven effort. In addition to the following formal committees, over one hundred citizens were involved in developing the plan through their participation in Focus Groups, a Mini-Summit, and an Economic Development Townhall. The City thanks all for their dedication in making the community a place that we are all proud to call home.

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APPENDIX:

Indicators Methodology and Data Collection

Focus Area: Creating a Desirable Community
Data: Acres of Park per 1,000 residents

Data concerning the total acres of park in the City come from the City of Surprise Parks and Recreation Department and the designation “city parks” refers to *City-owned* parks only. The measure does not include any medians or City right-of-way greenspace, as is common in the park acreage measurements of some communities. The City has arrangements with a number of schools to maintain school shared parks adjacent to the schools with shared facilities (denoted as City/School Shared Acreage). The city is also in the process of developing agreements with developers that would bring a few existing HOA-maintained parks into the City’s system. Population estimates are reported by the Arizona Department of Economic Security www.de.state.az.us.

Focus Area: Creating a Desirable Community
Data: Sworn Police Officers and Fire Suppression Personnel per 1,000 Population

The number of sworn police officers and fire suppression personnel is tracked as part of the City of Surprise’s annual budget. Population estimates are reported by the Arizona Department of Economic Security www.de.state.az.us.

Focus Area: Creating a Desirable Community
Data: Participation in Parks and Recreation Programs per 1,000 Population

Participation in parks and recreation programs is tracked as part of the City of Surprise’s annual budget. It should be noted that the opening of the Aquatics Center accounted for a large proportion of the change between 2001 and 2002. The measure reported here excludes “special events.” Population estimates are reported by the Arizona Department of Economic Security www.de.state.az.us.

Focus Area: Creating a Desirable Community
Data: Average Fire Department Response Time

Average fire response time is tracked as part of the City of Surprise’s annual budget. Data concerning the number of incidents and number of fire stations was obtained from the Fire Department. Incidents reflect the number of calls received by the stations. Population estimates are reported by the Arizona Department of Economic Security www.de.state.az.us.

Focus Area: Educated and Skilled Labor Force
Data: Promotion and Dropout Rate

Promotion and dropout rate data are gathered from School Report Cards produced annually by the Arizona Department of Education. http://www.ade.az.gov/srcs/find_school.asp

Promotion Rate: Percentage of students promoted to the next grade or who met graduation requirements and received a traditional diploma at the end of the school year. Percentage includes students who left school at age 22 or who had completed school and received a non-traditional diploma.

Dropout Rate: Percentage of students counted as withdrawn due to chronic illness, expulsion or dropping out during the school year, to include activity during the summer of the school year. This rate includes students who were withdrawn after 10 consecutive days of unexcused absences or were coded by the school as "status unknown."

Dropout rate information is reported by each public school in the State of Arizona to the Arizona Department of Education on an annual basis. Schools legally have five years to amend reported totals and these amendments are **not** reflected in the static database that is the source of this information; therefore, some divergence from reported values for individual districts is possible. Dropouts are defined as students who are enrolled in school at any time during the school year, but are not enrolled at the end of the school year and did not transfer, graduate, or die and thus could include **some** charter school students depending upon actions taken with their administrative records. Dropout rates calculated in individual states and sub-state areas are not strictly comparable to those reported by the National Center for Education Statistics (NCES). For a detailed description of the differences in data definitions and methodology, see:

<http://www.ade.state.az.us/researchpolicy/DropoutInfo/99-00APPENDIXA.pdf>. Though some coding changes in detailed statistics have taken place following both the 1994 and 1999 school years, there have been no changes that impact the comparability of the data presented here during the timeframe referenced.

Dysart High School was the only high school included in the statistics gathered. Arizona Charter Academy and Superior School also served high school age students in the City of Surprise, but separate promotion and dropout statistics for high school age students (only) were not available.²

Note that Dysart High School data for SY01 for enrollment and dropout rate was taken from <http://www.ade.az.gov/researchpolicy/dropoutinfo/> due to lack of School Report Card data.

Focus Area:	Educated and Skilled Labor Force
Data:	Student/Teacher Ratio

Number of students reflects October enrollment and the number of teachers excludes teacher aides. School year begins in the year listed (e.g. SY97 begins in 1997 and ends in 1998). Schools were chosen based on data availability and servicing the City of Surprise's residents. Data per school and year was collected using http://www.ade.az.gov/srcs/find_school.asp with the exception of SY01 data for Dysart High School, which was obtained from the School Finance Division (number of teachers) and the research and policy division (enrollment).

As new schools are added it would be appropriate to include them in this measure. Schools that were active in the area during the timeframe of this document's compilation appear below, including the grade levels they serve and whether they are public schools or charter/private schools. The table which follows shows enrollment and number of teachers per school for each year.

² It would not be appropriate to combine / compare dropout statistics for schools serving different grade levels as the circumstances pertaining to being classified a dropout for younger students are more limited.

School	Grade Levels	Charter / Private School
Kingswood Elementary School	K-6	N
Paradise Education Center	K-8	Y
Surprise Elementary	K-8	N
Countryside	K-8	N
West Point Elementary	K-8	N
Dysart High School	9-12	N
Arizona Charter Academy	1-12	Y
Superior School	1-12	Y

Enrollment	SY98	SY99	SY00	SY01	SY02
<i>Elementary Public</i>	1,379	1,563	1,658	2,999	4,076
Kingswood Elementary	693	864	818	986	1,000
West Point Elementary	N/A	N/A	N/A	1,303	1,100
Countryside Elementary	N/A	N/A	N/A	N/A	1,106
Surprise Elementary	686	699	840	710	870
<i>High School Public</i>	860	889	1,008	1,723	1,578
Dysart High School	860	889	1,008	1,723	1,578
<i>Charter</i>	-	-	-	896	1,052
Paradise Education Center	N/A	N/A	N/A	691	816
Arizona Charter Academy	N/A	N/A	N/A	130	161
Superior School	N/A	N/A	N/A	75	75
Number of Teachers	SY98	SY99	SY00	SY01	SY02
<i>Elementary Public</i>	73	69	80	128	191
Kingswood Elementary	39	35	41	46	49
West Point Elementary	N/A	N/A	N/A	44	52
Countryside Elementary	N/A	N/A	N/A	N/A	50
Surprise Elementary	34	34	39	38	40
<i>High School Public</i>	40	53	55	73	92
Dysart High School	40	53	55	73	92
<i>Charter</i>	0	0	0	48.5	53
Paradise Education Center	N/A	N/A	N/A	36	42
Arizona Charter Academy	N/A	N/A	N/A	6.5	5
Superior School	N/A	N/A	N/A	6	6
Student/Teacher Ratio	SY98	SY99	SY00	SY01	SY02
<i>Elementary Public</i>	18.89	22.65	20.73	23.43	21.34
Kingswood Elementary	17.77	24.69	19.95	21.43	20.41
West Point Elementary	N/A	N/A	N/A	29.61	21.15
Countryside Elementary	N/A	N/A	N/A	N/A	22.12
Surprise Elementary	20.18	20.56	21.54	18.68	21.75
<i>High School Public</i>	21.50	16.77	18.33	23.60	17.15
Dysart High School	21.50	16.77	18.33	23.60	17.15
<i>Charter</i>	N/A	N/A	N/A	18.47	19.85
Paradise Education Center	N/A	N/A	N/A	19.19	19.43
Arizona Charter Academy	N/A	N/A	N/A	20.00	32.20
Superior School	N/A	N/A	N/A	12.50	12.50

Note: Dysart High School data for SY01 was gathered from other sources due to the lack of a School Report Card for that year.

Focus Area: Educated and Skilled Labor Force
Data: Stanford 9 Scores

The Stanford 9 is a norm-referenced test administered to students in grades 3 through 11 at all schools in the United States.³ A norm-referenced test compares each student's achievement to the achievement of a representative national sample of public school students of the same age and grade (the norm group) at a particular point in time (1995 is the norm year for the Ninth Edition of the Stanford Achievement Test).

Scores are available for Reading, Math, and Language, as well as a composite score. Scores are tracked by schools as well as districts, counties, and the state as a whole. The measures reported are totals for fifth and ninth graders for all schools with scores available weighted by enrollment statistics of each school.⁴ These scores are benchmarked against county averages to track relative progress. The following data were suppressed for confidentiality reasons:

Arizona Charter Academy – reading scores in SY01 and SY02 and Superior School scores in all categories for fifth graders in SY02.

See the student/teacher methodology section previously for a list of the schools active in the area. It should be noted that Stanford 9 scores are reported for the previous class. Thus if a school first opened in SY01, then Stanford 9 score data will begin to include that school in SY02 reporting.

Focus Area: Attracting Quality Industries
Data: New Businesses Established

The City maintains certificate of occupancy data for commercial projects. The data are maintained by date for two major categories, tenant improvements and by square footage (which is collected for freestanding buildings only). Over the period from 1/1/01 to 11/25/02, the category “modular” also appeared one time and was categorized with the square footage count category. There were six records over the same period that lacked date information (and thus could not be classified as either 2001 or 2002).

Focus Area: Attracting Quality Industries
Data: Sales Tax Rate

Sales tax rate information was supplied by the Arizona Department of Revenue and the City of Surprise Department of Finance. The City of Surprise Department of Finance also provided detailed collections data by type. Rates and changes in sales tax rates are noted in the table shown in the document. Property tax rates were taken from the Arizona Tax Research Foundation's annual publication, *Property Tax Rates and Assessed Values*. Population estimates are reported by the Arizona Department of Economic Security www.des.state.az.us.

³ Limited English proficient students and special education students are exempt from the test. Tested groups in Arizona have changed, since 2000 students in grades 2 through 9 take the Stanford 9 test, and “English learners” take the test, but are scored separately.

⁴ Weighting by the number of students taking the test would be a preferred measure, but was not available for all schools. Using this methodology overstates Arizona Charter Academy and Superior School (based on having enrollment from grades 1 to 12) within the measure.

CITY OF SURPRISE

STRATEGIC PLAN FOR COMMUNITY AND ECONOMIC DEVELOPMENT

SUMMARY OF STRATEGIES

Focus Area	Strategies	Responsibility	Initiation
Creating a Desirable Community	Continue to participate in regional discussion related to improving the transportation system surrounding and throughout the City of Surprise.	SEDAB, EDD	Ongoing
	Annually, have the Surprise transportation planner make a presentation to the SEDAB about the status of transportation.	City of Surprise, SEDAB	Ongoing
	Continue to encourage the development in and around the Surprise Center.	City of Surprise, SEDAB	Ongoing
	Continue to expand recreational opportunities and facilities that attract people to Surprise as well as meeting the needs of citizens.	City of Surprise	Ongoing
	Continue to annually survey City of Surprise customers regarding the public services and facilities as well as the City's attitude toward business.	City of Surprise	Ongoing
	Continue to build upon the Northwest Valley's positive image and develop a consistent marketing strategy.	City of Surprise, SEDAB, Chamber of Commerce	Immediate
	Develop a City public relations plan.	City of Surprise	Immediate
	Develop an analysis of the costs associated with implementing the general plan.	City of Surprise	Immediate
	Update the City of Surprise Image Study and create a community "brand" name that captures the City's unique character.	City of Surprise; SEDAB; Chamber of Commerce	Immediate
	Explore with regional arts and cultural groups (e.g. Heard Museum) to locate satellite facilities in Surprise.	City of Surprise	Immediate
	Relocation and expansion of the West Valley Art Museum to the Surprise Center.	City of Surprise	Immediate
	Play an active role in the annual capital improvement planning process to ensure that infrastructure needed to support business and community development is addressed.	SEDAB, P&Z, EDD	Intermediate

Focus Area	Strategies	Responsibility	Initiation
Creating a Desirable Community	Partner with Estrella Mountain Community College and the Chamber of Commerce to develop and implement a local leadership academy similar to the Southwest Valley Citizen's Academy to ensure that the citizens have a better understanding of local government and to provide expanded opportunities for their involvement.	City of Surprise, SEDAB, Estrella Mountain Community College, Chamber	Intermediate
	Develop a centralized governmental center to serve the growing needs of Surprise.	City of Surprise	Long Term

Focus Area	Strategies	Responsibility	Initiation
Developing an Educated and Skilled Labor Force	Continue to strengthen the partnership between the City of Surprise and local school districts.	City of Surprise, School Districts	Ongoing
	Continue to encourage developers to work closely with the local school districts to ensure that there are adequate school facilities to meet demand.	City of Surprise, School Districts	Ongoing
	Facilitate a dialogue between the business community and local school district to ensure that the educational system is positioned to meet local demand.	SEDAB, Chamber of Commerce	Ongoing
	Continue to promote the community as an ideal location for post-secondary educational institutions.	City of Surprise	Ongoing
	Facilitate a dialogue between the local healthcare industry and regional/local educational programs to ensure that training programs (i.e., Southwest Skills Center, Maricopa Community College District) can be developed and implemented to meet their growing demands for employees.	SEDAB, local healthcare industry, Maricopa Community College District	Immediate

Focus Area	Strategies	Responsibility	Initiation
Ensuring Positive Economic Growth	Implement a comprehensive capital improvement plan to address the short- and long-term infrastructure needs of the community.	City of Surprise	Ongoing
	Continue to coordinate with the GPEC and other economic development organizations (e.g., Arizona Department of Commerce) in meeting the Surprise economic development goals.	SEDAB, EDD	Ongoing
	Complete quarterly updates of the website and include marketing materials as they are completed.	EDD	Ongoing
	Develop an insert on economic development and the five segment activities in the Surprise “Inside Scoop” as well as information on the Strategic Plan for Economic Development	EDD	Ongoing
	Attend ICSC conference every year to generate and then follow up on retail leads.	EDD, SEDAB	Ongoing
	Encourage local hospitals and doctors to form partnerships with Translational Genomics Research (TGEN) and other biotechnology activities occurring within the region.	SEDAB, EDD	Ongoing
	Continue to implement Business Retention and Expansion activities such as visitation program, database, follow-up, and directory of businesses.	SEDAB, Chamber, EDD	Ongoing
	Promote the SBDC assistance activities and seminars to local small business.	SEDAB, Chamber, EDD	Ongoing
	Develop and adopt an incentive policy to be used to attract appropriate business to Surprise.	SEDAB, City of Surprise	Immediate
	Conduct a land and building inventory.	City of Surprise	Immediate
	Develop a guide explaining, in simple terms, the City’s development review and approval process.	EDD	Immediate
	Continually analyze retail and commercial sales tax revenues to track the mix of retail leakage out of the City of Surprise.	SEDAB, EDD	Immediate
	Develop a master plan for visitor destination development (i.e., appropriate facilities and activities to attract and keep visitors in Surprise).	City of Surprise, Chamber, other private entities	Immediate
	Develop Dream Catcher Park which is geared to handicapped-accessible recreational activities.	City of Surprise	Immediate
	Study the economic impact of healthcare facilities and services on the City of Surprise and promote this impact.	EDD, SEDAB	Immediate

Focus Area	Strategies	Responsibility	Initiation
Ensuring Positive Economic Growth	Working with local healthcare organizations, will encourage the development of a medical village campus.	City of Surprise	Immediate
	Working with GPEC, identify a list of potential bio-support businesses that are compatible with the City of Surprise.	SEDAB, EDD, GPEC	Immediate
	Develop a recreation and entertainment marketing plan for the City of Surprise.	SEDAB, EDD	Intermediate
	Develop a retail/commercial marketing plan for the City of Surprise.	SEDAB, EDD	Intermediate
	Develop marketing pieces geared to the five economic development segments.	SEDAB, EDD	Intermediate
	Develop a technical assistance handout for inclusion on the website related to start-up businesses (e.g., financing opportunities, business plan development, and marketing).	SEDAB, Chamber, EDD	Intermediate
	Pro-actively implement the retail and commercial marketing plan in order to attract new establishments that provided needed services to residents while generating tax revenues for the City of Surprise.	SEDAB, EDD	Intermediate